

January 26, 2021 Council Meeting

The regular meeting of the Council of the City of Martinsville, Virginia was held on January 26, 2021 in Council Chambers, Municipal Building, at 7:00 PM with Mayor Kathy Lawson presiding. Other Council Members present included Danny Turner, Jennifer Bowles, Tammy Pearson and Chad Martin. Staff present included City Manager Leon Towarnicki, Assistant City Manager/City Attorney Eric Monday, Clerk of Council Karen Roberts, MiNET Director Mike Scaffidi and MiNET Accounts Manager Kathy Reed, Finance Director Linda Conover, Assistant Finance Director Mandy McGhee, Commissioner of Revenue Ruth Easley, and Deputy Police Chief Rob Fincher.

Mayor Lawson called the meeting to order and advised Council would go into Closed Session beginning at 6:15 PM. In accordance with section 2.1-344 (A) Code of Virginia (1950, and as amended) and upon a motion by Council Member Pearson with the following 3-0 recorded vote: Council Member Pearson, aye; Council Member Martin, aye; and Mayor Lawson, aye. Council Member Turner arrived after Closed Session began. Vice Mayor Bowles had a family emergency and joined the meeting at 8:00pm. Council convened in Closed Session to discuss the following matters: (A) Consultation with legal counsel and briefings by staff members, attorneys or consultants pertaining to actual or probable litigation, or other specific legal matters requiring the provision of legal advice by such counsel, as authorized by Subsection 7. At the conclusion of Closed Session, each returning member of Council certified that (1) only public business matters exempt from open meeting requirements were discussed in said Closed Session; and (2) only those business matters identified in the motion convening the Closed Session were heard, discussed, or considered during the A motion was made by Council Member Turner; seconded by Council Member Martin, with the following 4-0 recorded vote in favor to return to Open Session: Mayor Lawson, aye; Council Member Martin, aye; Council Member Turner, aye; and Council Member Pearson, nay. *(Per Tammy Pearson's email dated January 29, 2021, Pearson stated that she misunderstood the meaning of the statement read by Mayor Lawson and voting Nay "was a "newbie" mistake". Pearson asked to "please add a footnote that I misunderstood the vote and vote yes now that I have a clear understanding")*

Mayor Lawson called the meeting to order.

Following the Pledge to the American Flag and invocation by Council Member Martin, Lawson welcomed everyone to the meeting. Lawson explained that the meeting would follow COVID guidelines, allowing limited attendance and recognizing social distancing recommendations.



Hear an update on the City transition to town status – City Attorney Monday explained to Council that Stephen Piepgrass of the law firm Troutman Pepper would be joining the meeting electronically to update on the reversion process and progress. Piepgrass went over a PowerPoint detailing key dates in the reversion process, points of agreement and dispute between Martinsville and Henry County, and commonly asked questions related to reversion. Council Member Pearson said that information from Commissioner of Revenue Easley

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disputes some of the tax information provided by Troutman Pepper which she feels should be noted. Pearson asked if Council decided to decline Town Status, is it correct that Martinsville would have to wait 5 years to apply for reversion again. Piepgrass says he felt that was correct, subject to confirmation. Council Member Turner mentioned the amount of money that the City has put into economic development. Piepgrass explained that Henry County requests all revenue sharing be voided but Martinsville does not agree to that stipulation and feels there is no legal obligation to void those contracts. Piepgrass explained that the County's position at this point is a "wishlist" and it's up to the panel of judges to decide.

<div><h2>Status Update: Transition from City to Town Status</h2><p>PRESENTATION TO THE MARTINSVILLE CITY COUNCIL</p><p>January 26, 2021</p></div>	<h3>Key Dates in Commission on Local Government ("CLG") Proceedings</h3> <p>September 18, 2020: Pursuant to Va. Code § 15.2-2907(A), Martinsville files its notice of intent to petition for an order granting it Town status including data and other evidence required by CLG regulation, 1 Va. Admin. Code § 50-20-601.</p> <p>October 14, 2020: Initial CLG public meeting, included Martinsville and Henry County counsel, though no media attended.</p> <p>November 30, 2020: Henry County files its response.</p> <p>January 8, 2021: CLG requests additional information from Martinsville and Henry County, respectively, to be submitted by March 5, 2021.</p> <p>March 22-24, 2021*: Currently scheduled oral presentations and public hearing before the CLG.</p> <p>April 8, 2021*: Parties submit written concluding arguments, proposed findings and recommendations.</p> <p>May 13, 2021*: CLG adopts report on proposed reversion.</p> <p>Thereafter: Three-judge court appointed by Supreme Court to consider CLG report and rule on reversion.</p> <p>July 1, 2022: Effective date of reversion.</p> <p><small>*Will be changed to accommodate mediation addressing terms of reversion.</small></p>
	

<h3>Potential Points of Agreement</h3> <ul style="list-style-type: none">• Reversion: There appears to be agreement that reversion will happen. In the CLG proceeding, Henry County's response states, "Henry County does not oppose the City of Martinsville's reversion to town status as a general proposition. It does, however, object to the manner in which Martinsville proposes to revert."• Efficiencies from reversion: Reversion will allow for a more efficient use of resources, eliminating some duplication of governmental departments and services.• Town services: As a Town, Martinsville should continue to provide services of an urban nature, such as: law enforcement and public safety; fire and rescue; building and inspections; public works; parks, recreation, and cultural; library; Blue Ridge Regional Airport Authority; and planning and community development.• Schools: The Martinsville School Division will be merged into the Henry County School Division. Martinsville may be able to retain certain duplicative school buildings for other uses. Martinsville's LCI may be able to be used for future school funding.	<h3>Potential Points of Agreement (continued)</h3> <ul style="list-style-type: none">• Annexation moratorium: Virginia Code § 15.2-4117 imposes a two-year moratorium on annexation proceedings after Martinsville reverts to a town, <i>but</i> annexation-related issues may be subject to negotiation and agreement.• Capital assets: Martinsville generally should retain capital assets except those related to services that Henry County will assume after reversion.• Library and airport: Martinsville likely would continue to participate in the library and airport.• Social and health services: Martinsville likely would not participate in DSS or the Health Department.• Courts and jail: Martinsville likely would not have financial responsibility for operating the courts or the jail after reversion.
	

<h3>Potential Points of Apparent Dispute</h3> <p>Henry County "object[s] to the manner in which Martinsville proposes to revert."</p> <p>According to Henry County's response in the CLG proceeding:</p> <ul style="list-style-type: none">• "Martinsville must grant to the County, at no cost, all of the assets the City currently uses to provide the services that will be transferred to the County post-reversion;"• "Martinsville must maintain funding for certain local and regional organizations and initiatives for at least ten years;"• "[r]esidual fund balances maintained by the City schools also must be transferred to the County;"• "revenue sharing agreements between the City and County must be voided;" and• "the Commission should require the City to compensate the County to offset the significant one-time expenses the County will incur as a result of reversion."	<h3>Questions Relating to Reversion</h3> <p>Why is Martinsville pursuing reversion?</p> <ul style="list-style-type: none">• If it were to continue absent reversion, Martinsville's current mode of operations is expected to result in the reduction of City services and programs and increase in City tax burdens on Martinsville citizens.• Fiscal stresses confronting Martinsville include a weakening economy and a declining and aging population.• Reversion is expected to benefit interested parties through a more-efficient use of public resources, eliminating undesirable competition (which sometimes exists between independent cities and counties) and encouraging coordinated planning for the future development of the entire area.
	

Questions Relating to Reversion

Is Martinsville using reversion so that Henry County will assume its debts?

- No. Martinsville's filing with the CLG proposes that Martinsville pay off its existing debts:
 - "Except for amounts that the Henry County Public Service Authority owes to Martinsville, Martinsville and Henry County would each retain their respective existing debts under the proposed reversion," and
 - "The Town of Martinsville will pay off the City's existing school debt. With respect to any other existing school debt, as new residents of Henry County, citizens in the Town of Martinsville will participate in paying down Henry County's existing educational debt through County real estate taxes."
- Virginia Code provisions related to reversion also state that the new town "shall remain liable for all of the bonded indebtedness, current debts, obligations, and liabilities if incurred as a city," unless otherwise agreed by the governing bodies of the City and County or ordered by the three-judge court. Va. Code § 15.2-4114.

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Questions Relating to Reversion

How will reversion affect Martinsville citizens' tax rates?

- Martinsville projects that changes to its tax rates would be modest or inconsequential.
- Martinsville's auditor, Robinson Farmer Cox, projects that, if reversion's net aggregate fiscal impacts on Martinsville and Henry County were addressed solely by adjustments in the respective real property tax rates, then:
 - Martinsville residents would see a 60.5¢ decrease in Martinsville's real property tax rate for a rate of 45.71¢ per \$100 assessed value of real property; and
 - real property in Martinsville would also be subject to a Henry County real property tax at a rate of 60.5¢ per \$100 assessed value of real property.
- This is not a "doubling" of Martinsville residents' existing city taxes. Martinsville residents would pay separate town and county taxes associated with respective town and county governmental services, as is the case in towns across the Commonwealth.
- Existing law should also mitigate potential overlap of local taxes. For example, a Virginia statute provides that a town's BPOL taxes displace the county's BPOL taxes on the same privilege, except where the town council provides otherwise. Va. Code § 58.1-3711(A).

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Questions Relating to Reversion

Does the CLG make the decision regarding Martinsville's reversion to a Town?

- The CLG issues a report of findings and recommendations regarding a requested reversion; however, a three-judge special court (appointed by the Supreme Court of Virginia) makes the ultimate determination. The CLG proceedings are a necessary precondition to commencing proceedings before the three-judge court, and its recommendations are considered by the court.
- The three-judge court will enter an order granting town status if, after hearing the evidence, it finds that:
 - (1) the city has a current population of less than 50,000 people; (2) the adjoining county or counties have been made party defendants to the proceedings; (3) the proposed change from city to town status will not substantially impair the ability of the adjoining county in which the town will be located to meet the service needs of its population; (4) the proposed change from city to town status will not result in a substantially inequitable sharing of the resources and liabilities of the town and the county; (5) the proposed change from city to town status is, in the balance of equities, in the best interests of the city, the county, the Commonwealth, and the people of the county and the city; and (6) the proposed change from city status to town status is in the best interests of the Commonwealth in promoting strong and viable units of government. Va. Code § 15.2-4106(A).

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Questions Relating to Reversion

What happens if Martinsville disagrees with the terms and conditions of reversion as issued by the three-judge court?

- The Supreme Court of Virginia may hear appeals from the three-judge court. Va. Code § 15.2-4108.
- The Martinsville City Council is also allowed, by resolution or ordinance, to decline town status on the terms and conditions imposed by the three-judge court. Va. Code § 15.2-4109. The time limit for declining is:
 - any time prior to twenty-days after the three-judge court's entry of the order granting town status,
 - within twenty-one days after the Supreme Court of Virginia's denial of a petition for appeal, or
 - within twenty-one days after the entry of the Supreme Court of Virginia's mandate in an appeal it has granted.

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Thank you.

Stephen C. Piepgrass
804.697.1320
Stephen.Piepgrass@troutman.com

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Conduct a public hearing regarding a planned Community Development Block Grant application for the Pine Hall Road area – Towarnicki explained that this grant application is a third attempt to qualify for funds for the Pine Hall area. Mark McCaskill participated in the meeting via Zoom and presented a PowerPoint detailing the project's team members, details of what a CDBG-Community Development Block Grant is and its purpose and overview, a history of previous CDBG projects, project development activities, how the CDBG grant proposal is developed and the grant timeline along with a list of needs in the community. McCaskill explained that tonight is the first of two required public hearings. Because of COVID restrictions, Council Member Turner recommended that Council offer a public hearing in a larger venue such as an auditorium to allow adequate attendance by the public. McCaskill explained that they plan to offer two additional public information meetings. Council Member Martin asked when money is received for the grant, can some of the funds be used to provide food at the meetings to attract more residents. McCaskill said he would look into that. Mayor

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Lawson opened the floor to public comment. No one approached the podium so the public hearing was closed.

City of Martinsville Neighborhood Revitalization

Community Development Block Grant (CDBG)

Public Hearing – January 26, 2021

Project Team Members

- Management Team
 - Community Representatives including Elected Officials and "Sparkplugs"
- City Staff
- Consultants, Engineer, Rehabilitation Specialist
- Virginia Department of Housing and Community Development (DHCD)

What Exactly is CDBG?

- CDBG = Community Development Block Grant
- Authorized under the Housing and Community Development Act of 1974
- Federal oversight (HUD), State administration (DHCD)
- Three National Objectives:
 - Low- and moderate-income benefit
 - Slum and blight elimination
 - Urgent community development needs
- Program serves Non-Entitlement Communities
- Program Design establishes Program Goal and Objective
- Competitive application process

CDBG Program Overview Community Improvement Grants

- Comprehensive Community Development – two or more significant activities
- Public Infrastructure – Water/Wastewater services (drainage, streets)
- Community Service Facility – Economic Development (training, health care, daycare)
- Housing – Rehabilitation of housing units to DHCD HQS and/or new construction
- Economic Development – Business district revitalization

CDBG Program Overview Funding Available FY2021

- CDBG Program Funding \$18,150,503
 - Competitive Grants \$10,450,503
 - Planning Grants \$700,000
 - **Open Submission Funds \$7,000,000**
 - Economic Development & Entrepreneurship
 - Construction-Ready Water and Sewer Fund
 - Regional Water/Wastewater
 - Urgent Need Open Submission Projects

Martinsville Previous CDBG Projects

- Housing/Comprehensive Community Development (CCD)
 - Northside
 - Cherry Street
 - Moss-Barton
 - RP Thomas
- Neighborhood Stabilization Program (NSP3)
- Industrial Revitalization Fund (IRF) - Henry Hotel
- Community Service Facility (CSF) - New College Expansion
- Business District Revitalization - Uptown

City of Martinsville Project Development Activities

- Management Team Meetings
- Community Meetings
- Neighborhood Survey
 - Determine neighborhood interest
 - Assess and quantify community needs (housing, infrastructure, etc.)
 - Determine neighborhood income profile

City of Martinsville Development of Community Improvement Grant Proposal

- Delineate final proposed project area
- Collect pre-applications and investor-owner commitments
- Complete Preliminary Engineering Report
- Conduct preliminary housing rehabilitation assessments
- Develop project budget
- Conduct DHR (Historic) and ERR (Environmental) Reviews
- Hold public hearings
- Submit Community Improvement Grant Proposal (March)

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City of Martinsville Revised Planning Grant Timeline

- | | |
|--|------------------|
| • Public Hearing #1 | January 26, 2021 |
| • Housing Income and Assessments | February 2021 |
| • Review & Update Preliminary Engineering Report | January 2021 |
| • Review and Update CIG Application | February 2021 |
| • Public Hearing #2 | March 9, 2021 |
| • Complete DHR and ERR Reviews | March 2021 |

City of Martinsville Grant Application Development Timeline

- | | |
|--------------------------|--|
| • CIG Application due | April 1, 2021 |
| • CDBG Grants awarded | Late Summer 2021 |
| • DHCD Contract signed | Late 2021 – Early 2022 |
| • Project Implementation | 24 months April 2022 – March 2024 |
| | 36 months April 2022 – March 2025 |

City of Martinsville What needs are there in the community?

- What questions do you have about
 - Planning process?
 - Grant funding?
 - Possible improvements?
 - Eligibility requirements?

Other questions???

Contact Mark McCaskill, Director of Community Development 276-403-5169; email mmccaskill@ci.martinsville.va.us or Megan Spencer, Community Development Specialist 276-403-5156; email mispencer@ci.martinsville.va.us

Approve minutes from the January 12, 2021 Council Meetings – Council Member Martin made a motion to approve the minutes as presented. Council Member Turner seconded the motion with all Council Members voting in favor.

Read a Proclamation acknowledging February 2021 as Black History Month – Council Member Martin read the proclamation which will be mailed to Naomi Hodge-Muse, President of the local NAACP.



Proclamation

RECOGNIZING FEBRUARY, 2021 AS BLACK HISTORY MONTH IN THE CITY OF MARTINSVILLE

WHEREAS, Dr. Carter G. Woodson, distinguished African American author, editor, scholar, and historian who is known as the "Father of Black History", founded the Association for the Study of Negro Life and History (now the Association for the Study of African American Life and History) in September, 1915, and Negro History Week in 1926, which became Black History Month in 1976, intended to encourage further research and publishing regarding African American heritage; and

WHEREAS, Americans of African descent have made valuable and lasting contributions to our country, our state, and our local community, achieving exceptional success in all aspects of society including business, education, politics, science, arts; and

WHEREAS, in 1976 Black History Month was adopted to honor and affirm the importance of the history of African Americans and to focus on the stories and teachings of those who helped build our nation, advance the cause of civil rights and strengthen families and communities; and

WHEREAS, the City of Martinsville continues to work toward building an inclusive community that lives up to the American ideal of equality of educational, social, and economic opportunity for all our citizens;

NOW, THEREFORE, I, Kathy Lawson, Mayor, and members of Martinsville City Council do hereby proclaim the month of February, 2021 as Black History Month in the City of Martinsville and we urge all citizens to join in celebrating the significance of African American culture in its past, present, and future.

Kathy Lawson, Mayor

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Hear an update regarding a pilot project in the City of Martinsville by The Alliance for National and Community Resilience – Kris Bridges introduced Ryan Colker, Executive Director of the Alliance for National and Community Resilience who participated electronically by Zoom. Bridges detailed the importance of this project. Martinsville is striving to meet all three levels of the benchmark in hopes that we will come away with some level of resilience rating. Jonathan Hummer, recent graduate of University of Virginia and local Eagle Scout is assisting in this project. Hummer plans to enter the field of environmental law. Mayor Lawson said that benchmarking is very important and she looks forward to further discussion on this project. Council Turner said that his number one concern is the electric policy and the cost involved. Council Member Pearson asked which private sectors they are working with, Bridges said part of the presentation is to bring more people on board to gain knowledge of what the public wants and needs. Council Member Martin asked if the rating would be shared on the website and how that could affect the cost of insurance for the City. Colker verified that this project could benefit economic development and could result in lower insurance costs and incentives.



January 21, 2021

Mayor Kathy Lawson
909 Barrows Mill Road
Martinsville, VA

Dear Mayor Lawson and Members of the Council,

The Alliance for National & Community Resilience (ANCR) is pleased to be working with the city of Martinsville to pilot Community Resilience Benchmarks (CRBs) and help the city realize its resilience goals. Over the past few months, we have had the pleasure of working with city staff and private sector organizations to better understand the community and begin the benchmarking process.

We have prepared this letter to provide you and members of the city council with some background on ANCR and the CRBs, an update on the piloting process, and the intended outcomes and benefits from undertaking this benchmarking.

Background on ANCR and the CRBs

ANCR was founded by the International Code Council, U.S. Resiliency Council and the Community and Regional Resilience Institute as a non-profit organization to support communities in understanding and advancing their resilience. The partners recognized that many resilience initiatives were forming, but they tended to focus on just a small slice the community and not on the community as a whole.

As you know, thriving communities rely on the performance of multiple systems and functions across the community. Their resilience is no different. To that end, ANCR identified 19 community functions that cut across the social, organizational and infrastructural aspects of communities that make them great places to live, work and locate a business while also contributing to their resilience.

A community is only as resilient as its weakest link and most communities must make hard choices on where to invest their limited resources.

ANCR@resilientalliance.org
www.resilientalliance.org
888-422-7233x6257 | @ANCRResilience

ANCR is a joint initiative of



Communities could find themselves investing heavily to support the resilience of one function or system while maintaining (or even exacerbating) the vulnerabilities of another function or system. To help communities navigate these challenges, ANCR is developing a holistic set of Community Resilience Benchmarks to provide communities with tools to identify their current state of resilience and map out approaches to improve their resilience.

To date, ANCR has completed development of the Buildings Benchmark, the Housing Benchmark, and most recently the Water Benchmark.

Piloting the CRBs in Martinsville

In June 2020, ANCR issued a call for communities interested in piloting the Buildings and Housing Benchmarks. We were pleased to receive an application from Martinsville. We selected Martinsville to serve as an ANCR Pilot Community and the benchmarking process got underway in October.

Since the initial kick-off, we have met frequently with Martinsville staff to walk through the benchmark requirements, identify policies and programs that meet the intent of the requirements, and identify areas where new or enhanced activities could be developed. Following this initial pass through the benchmarks, we have begun engaging private sector partners who contribute to the community's resilience to gather their feedback.

We intend to have the Benchmarking process concluded by May 2021 in time for a formal announcement of Martinsville's designation under the ANCR CRBs during Building Safety Month. Leading up to that announcement, we would be pleased to work with you to identify opportunities to make the most out of the announcement and the accompanying recommendations (some initial ideas are outlined in the section below).

Outcomes and Benefits

ANCR has identified multiple benefits communities could receive from undertaking benchmarking. For most communities, the benchmarks can help them prioritize resource allocations, identify potential vulnerabilities that may not have previously been identified, and inform community planning processes. Additional benefits may vary from community to community.

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Based on what we have learned about Martinsville, the potential to use the benchmark results to attract businesses and jobs (and thus new residents) by highlighting your strengths and differentiating Martinsville from other communities in the region is important. The results can also be used to differentiate Martinsville in federal or state grant applications. Once your designation is received, we recommend including the results in your economic development materials and in grant applications. Sharing them widely with the community and on your website will help spread the word.

In addition to the designation, ANCR will provide some suggestions for short- and long-term measures that could be adopted to enhance resilience in Martinsville. Some of these measures can be no- or low-cost and potentially launched in conjunction with the announcement of Martinsville's designation.

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Thank you for the opportunity to work with you and members of the Martinsville community to support your resilience initiatives and efforts to ensure that Martinsville is a great place to live and work. Please let us know if there is anything we can assist with during or after this process.

Sincerely,

Ryan M. Colker, J.D., CAE
Executive Director

ANCR@resilientalliance.org
www.resilientalliance.org
888-422-7233x6257 | @ANCRResilience

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Hear an update on FY21 Telecommunications operations – Telecommunications Director Mike Scaffidi presented a PowerPoint to update Council on the telecommunications operations in FY21 including a list of department employees, revenue and expenses, general points of

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interest, ongoing projects and initiatives, costs-speed-signup process, value of service provided, the expected future of MiNET, and an update on getting Martinsville students on WIFI. Council Member Pearson said that she is amazed at the amount of work the department handles with a small staff. She has viewed competitor pricing and asked how MiNET determined pricing for the City. Scaffidi contacted other communities with similar systems and due to municipal laws, MiNET can be competitive but not lower on the price. Scaffidi shared contact information for anyone interested in getting services. There is a waiting list and Martinsville students are the priority. Scaffidi shared that the department also handles traffic signals in the City and are currently installing Opticom systems which require infrastructure upgrades. Scaffidi explained that antennas were installed using CARES funding to benefit the underserved school children. The school has committed to paying services for student for 12-months. At the end of that 12-months, the household may decide to continue those services by completing a private contract with the City. Vice Mayor Bowles would like to know the cost of additional antennas. The elderly community is concerned that they will no longer have a landline if they opt into MiNET. Scaffidi explained the process of how residents can keep their same phone number and have their phone connected to MiNET. Bowles would like to see the pricing and internet options available on the City website for residents to review. Council Member Turner said that water has corroded the underground copper and affected CenturyLink services. Martinsville City offers copper through CenturyLink, cable through Comcast and fiber through MiNET; Scaffidi recommended that it is good to have a primary system and a second means for backup.



January 2021
Council Update

Michael Scaffidi
Director of Telecommunications

EMPLOYEES

- | | |
|--------------------|------------------------|
| • Mike Scaffidi | Director |
| • Greg Bowman | Plant Manager |
| • Jared Pruett | Network Specialist |
| • Kathy Reed | Accounts Manager |
| • Charles Anderson | Telecom Technician |
| • Eric Boaz | Telecom Technician |
| • Chris Kelsey | Maintenance Technician |

REVENUE / EXPENSES (AS OF DECEMBER 31, 2020)

REVENUE

- | | |
|------------------------------|--------------------|
| • Total Budgeted Revenues | \$2,800,496 |
| • Collected as of 12/31/2020 | <u>\$1,413,816</u> |
| Remaining Revenue | \$1,386,680 |
| 50.1% of Budget Received | |

EXPENDITURES

- | | |
|---------------------------|--------------------|
| • Total Budgeted Expenses | \$2,760,442 |
| • Expended/Encumbered | <u>\$1,458,291</u> |
| Remaining Expenses | \$1,302,151 |
| 52.8% of Budget Expended | |

GENERAL POINTS OF INTEREST

- Continue To Explore Growth Opportunities
- Continue to Explore New Phone & Internet Innovations to Improve Service/Reduce Costs
- Phone System Impact
 - Drop in Monthly Recurring Charges
 - SIP Trunking
 - Reach Out to a Variety of SIP Providers
 - System Redundancy

PROJECTS AND INITIATIVES

- Wireless To The Home (W2H)
- Includes \$502,344 in CARES Broadband funds
 - Four Tower Locations (Currently)
 - New York Ave Water Tank
 - Martinsville High School
 - Martinsville City Shop
 - Martinsville Industrial Park Water Tank
 - Target Audience
 - Underserved School Children (WTTH)
 - 46 Connections
 - 45 Pending Verification
 - Martinsville City Residents (WTTH)
 - 65 Pending
 - Martinsville City Small Businesses (WTTH)
 - 8 Pending

COSTS- SPEED- SIGN UP PROCESS

- WTTH
 - Service Fee WTTH: \$65.00
 - Speeds: 75 Mbps Max Down / 75 Mbps Max Up
 - Speeds Vary Depending Upon Location and Tree Density
- Optical Connection
 - Service Fee Optical: Starts at \$80.00 lowest package
 - Residential 150 Mbps Down / 20 Mbps Up
 - Speeds up to 1 Gbps up / 1 Gbps Down
 - Packages up to 10 Gbps for Enterprise Customers
- Activation:
 - www.minet.solutions
 - "Sign Up for MINET Services" (Top of the Page)
 - Phone: 276.632.7500
- Connection Scheduling
 - Priority Wireless to the Schools
 - 65 Residents on the Waiting list
 - Two Construction Crews on Installs
 - Expect 3 - 4 connections per day (under perfect conditions)
 - Expect current backlog connected within 5 weeks

PROJECTS AND INITIATIVES

FIBER TO THE BUSINESS

- 6.7 Miles of Backbone Fiber Placed Within Martinsville and Henry County FY2020
- 228 Customers as of January 1, 2021

PENDING

- 15 Martinsville/Henry County Requests
- 7 Businesses in Contract Negotiations
- 3 Patrick County Requests
- Considering Tower Locations to Serve a Variety of Requests outside the City.
- Target Date for those Locations Q2-3 of FY2022

VALUE OF SERVICE PROVIDED BY TELECOM/MINET

- No Debt
- Significant Internal Telecom Cost Savings
- New Phone System (20 year life)
- Annual School System Support (erate) \$160K
- Balance or Residual Funds returned to City
- Accepting High Volume of Telephone Calls During Outages - Continues to Work Well**
- Special Services to Customers
 - Network and Virus Protection through Fire Wall
- Local Service Provider (Customer Service)

FUTURE

- MARKETING**
 - Increase marketing efforts to promote MiNet system in our area.
- EXPANSION**
 - Focus on needs within the City first.
 - Cost analysis of WTTN outside of City
 - Patrick County future expansions
- RESOURCES NEEDED**
 - Personnel – As system growth/expansion occurs, construction/customer support needs are increasing.
 - Billing System – Tie Into MUNIS

PROJECTS AND INITIATIVES

- TRAFFIC CONTROL UPGRADES**
 - Traffic Control Replacement Project
 - Focus on Major Intersections
 - Opticom
 - Emergency Pre-Emption
 - Flashing Arrow For Left Turns
 - New Signal Replacement Throughout City
 - "Uptown Powder coated Brown" (CBD Lights brown color)

Hear a summary of the City's quarterly finance report for the period ending December 31, 2020 – Linda Conover presented the quarterly finance report. Vice Mayor Bowles made a motion to approve the finance report as presented. Council Member Martin seconded the motion with four Council Members voting in favor. Pearson had stepped out of the room prior to the vote.

City of Martinsville Consolidated Revenues and Expenditures FY21 - 12/31/2020					
	Budget	Anticipated	Actual YTD	Remaining Balance	Difference Ant vs. Actual
General Fund					
Revenues	\$ 31,555,661	\$ 35,451,185	\$ 16,047,514	\$ 15,508,147	103.3%
Expenditures	\$ 34,143,471	\$ 17,267,342	\$ 15,950,057	\$ 16,193,434	92.4%
Excess (deficiency) of revenues over expenditures	\$ (2,587,810)	\$ (1,816,157)	\$ 97,457		
(Fund Bal contrib)					
Capital Funds					
Revenues	\$ 2,081,930	\$ 1,039,582	\$ 1,228,177	\$ 853,753	118.1%
Expenditures	\$ 2,081,930	\$ 1,506,114	\$ 1,506,114	\$ 495,816	100.0%
Excess (deficiency) of revenues over expenditures	\$ -	\$ (466,532)	\$ (277,937)		
(Fund Bal contrib)					
Capital Reserve					
Revenues	\$ 500,488	\$ 250,252	\$ 500,252	\$ 236	199.9%
Expenditures	\$ 1,304,970	\$ 393,630	\$ 393,630	\$ 910,340	100.0%
Excess (deficiency) of revenues over expenditures	\$ (804,482)	\$ (143,378)	\$ 106,642		
TOTAL CAPITAL FUNDS:	\$ (804,482)	\$ (689,630)	\$ (251,295)		
(Fund Bal contrib)					
Refuse Fund					
Revenues	\$ 2,266,600	\$ 862,000	\$ 865,965	\$ 1,400,635	100.5%
Expenditures	\$ 4,328,401	\$ 1,857,497	\$ 1,764,953	\$ 2,563,448	95.0%
Excess (deficiency) of revenues over expenditures	\$ (2,061,801)	\$ (995,497)	\$ (898,988)		
MINET/Fiber Optic Fund					
Revenues	\$ 2,236,152	\$ 354,275	\$ 1,410,816	\$ 884,336	148.2%
Expenditures	\$ 2,259,038	\$ 1,238,933	\$ 1,234,118	\$ 963,920	108.4%
Excess (deficiency) of revenues over expenditures	\$ 40,054	\$ (684,658)	\$ 116,698		
Water Fund					
Revenues	\$ 3,837,409	\$ 1,881,399	\$ 1,946,152	\$ 1,891,257	103.4%
Expenditures	\$ 3,606,973	\$ 2,117,472	\$ 2,016,548	\$ 1,590,425	95.2%
Excess (deficiency) of revenues over expenditures	\$ 230,436	\$ (236,073)	\$ (70,396)		
Sewer Fund					
Revenues	\$ 4,604,012	\$ 2,284,506	\$ 2,438,491	\$ 2,165,521	106.7%
Expenditures	\$ 5,247,413	\$ 2,189,385	\$ 2,086,668	\$ 3,160,745	95.3%
Excess (deficiency) of revenues over expenditures	\$ (643,401)	\$ 95,121	\$ 351,823		
Electric Fund					
Revenues	\$ 20,132,524	\$ 10,090,208	\$ 9,749,779	\$ 10,382,745	96.8%
Expenditures	\$ 21,307,059	\$ 6,952,912	\$ 6,435,132	\$ 12,871,927	94.2%
Excess (deficiency) of revenues over expenditures	\$ (1,174,535)	\$ 1,137,296	\$ 1,314,647		

GRAND TOTAL - UTILITIES:	Budget	Anticipated	Actual YTD	Balance	Ant vs. Actual
Total Utility Revenues:	\$ 33,136,697	\$ 16,072,388	\$ 16,414,203	\$ 16,724,494	102.1%
Total Utility Expenditures:	\$ 36,747,944	\$ 16,334,076	\$ 15,597,425	\$ 21,650,519	95.5%
Excess (deficiency)	\$ (3,611,247)	\$ (261,688)	\$ 816,778		
Consolidated Revenues and Expenditures FY21 - 12/31/2020					
	Budget	Actual YTD	Remaining Balance	Difference Body vs. Actual	
Cafeteria					
Revenues	\$ 1,627,447	\$ 473,040	\$ 1,154,407	23.1%	
Expenditures	\$ 1,714,680	\$ 678,175	\$ 1,036,485	39.6%	
Excess (deficiency) of revenues over expenditures	\$ (87,233)	\$ (205,135)			
(Fund Bal contrib)					
School Operations					
Revenues	\$ 23,451,557	\$ 10,214,959	\$ 13,176,598	43.8%	
Expenditures	\$ 23,451,557	\$ 10,609,302	\$ 12,842,255	45.2%	
Excess (deficiency) of revenues over expenditures	\$ -	\$ (394,343)			
Federal Programs					
Revenues	\$ 2,159,452	\$ 533,532	\$ 1,625,920	24.7%	
Expenditures	\$ 2,159,452	\$ 100	\$ 2,159,352	0.0%	
Excess (deficiency) of revenues over expenditures	\$ -	\$ 533,432			
TOTAL SCHOOL FUNDS:	\$ (87,233)	\$ -	\$ (6,046)		
(fund bal contrib)					
	Budget	Actual YTD	Remaining Balance		
Special Revenue Funds					
COBG Fund					
Revenues	\$ 42,381	\$ 10,636	\$ 32,295	24.3%	
Expenditures	\$ 21,761	\$ 13	\$ 21,748	0.1%	
Excess (deficiency) of revenues over expenditures	\$ 21,230	\$ 10,683			
TOTAL SPECIAL REVENUE FL	\$ 21,230	\$ 10,683			
GRAND TOTALS:					
(including Schools & Special/Revenues)	Budget	Anticipated	Actual YTD	Remaining Balance	Difference Ant vs. Actual
Revenues:	\$ 67,276,716	\$ 32,813,407	\$ 34,190,146	\$ 33,086,630	104.2%
Expenditures	\$ 74,283,915	\$ 35,581,142	\$ 33,527,206	\$ 40,756,709	94.2%
Excess (deficiency) of revenues over	\$ (7,007,199)	\$ (2,767,735)	\$ 662,940		
Local Sales/Use Taxes	\$ 1,800,000	\$ 693,900	\$ 916,276	\$ 883,724	132.0%
Misc. Taxes	\$ 1,710,000	\$ 655,000	\$ 1,041,616	\$ 668,184	121.8%
The Budgeted Revenue amounts do not include any contributions from Fund Balance.					
1/13/21					

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City of Martinsville Combined Balance Sheet FY21 - 12/31/2020					
FUND	TOTAL ASSETS	TOTAL LIABILITIES	CURRENT FUND BALANCE	AUDITED FY20 FUND BALANCE	DIFFERENCE YEAR-END FY20
GENERAL FUND	\$ 14,511,534	\$ (8,255,111)	\$ 6,256,423	\$ 6,334,847	\$ (78,424)
MEALS TAX	\$ 200,567	\$ -	\$ 200,567	\$ 558,504	\$ (357,937)
SCHOOL CAFETERIA	\$ 1,634,053	\$ (100)	\$ 1,633,953	\$ 1,839,088	\$ (205,135)
TELECOMMUNICATIONS	\$ 858,253	\$ (112,881)	\$ 745,372	\$ 626,106	\$ 119,266
CAPITAL RESERVE FUND	\$ 1,049,257	\$ -	\$ 1,049,257	\$ 942,611	\$ 106,646
CARES ACT FUND	\$ 63,588	\$ (724,487)	\$ (660,899)	\$ -	\$ (660,899)
SCHOOL FUND	\$ (339,510)	\$ 4,070	\$ (335,440)	\$ -	\$ (335,440)
SCHOOL FEDERAL PROGRAMS	\$ (342,146)	\$ (71)	\$ (342,217)	\$ 14,576	\$ (356,793)
CDBG FUND	\$ 213,783	\$ (112,433)	\$ 101,350	\$ 90,670	\$ 10,680
TOTAL	\$ 17,849,379	\$ (9,201,013)	\$ 8,648,366	\$ 10,406,402	\$ (1,758,036)
UTILITY FUNDS*	CURRENT CASH & EQUIV.	AUDITED FY20 CASH & EQUIV.			
REFUSE COLLECTION FUND	\$ 4,163,136	\$ 4,712,005	\$ (548,869)		
WATER FUND	\$ 2,993,120	\$ 2,887,587	\$ 305,534		
SEWER FUND	\$ 1,653,357	\$ 1,629,039	\$ 24,317		
ELECTRIC FUND	\$ 2,080,581	\$ 2,948,919	\$ (868,338)		
TOTAL	\$ 10,890,195	\$ 11,977,550	\$ (1,087,356)		
*Utility funds reported as cash equivalents, not fund balances.					
RESERVED FUNDS					
INSURANCE TRUST FUND	\$ 386,206	\$ -	\$ 386,206	\$ 432,981	\$ (46,774)
INMATE TRUST FUND	\$ 134,506	\$ -	\$ 134,506	\$ 117,795	\$ 16,711
Fiduciary Agency Funds					
05-SVRF	\$ 116,015	\$ (545)	\$ 115,470	\$ 68,246	\$ 47,224
06-Dan River ASAP	\$ 286,697	\$ (209,443)	\$ 77,254	\$ 78,165	\$ (911)
15-PRCITA	\$ 536,888	\$ -	\$ 536,888	\$ 68,309	\$ 468,578
30-BRRL	\$ 222,200	\$ -	\$ 222,200	\$ 245,438	\$ (23,239)
TOTAL	\$ 1,161,800	\$ (209,989)	\$ 951,811	\$ 460,159	\$ 491,652
Revised 1/20/21					
Excel: FY21 Financial Reports: Combined Balance Sheet - FY21					

Consider approval of consent agenda – Vice Mayor Bowles made a motion to approve the Consent Agenda as presented. Council Member Martin seconded the motion with all Council Members voting in favor.

BUDGET ADDITIONS - SCHOOL TRANSFER & APPROPRIATION				
01/26/2021				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
BUDGET ADDITIONS				
General Fund:				
01103938	462101	Contribution from Fund Balance		102,190
01931255	509290	Transfer to School Capital	102,190	
Transfer of funds requested for capital improvements at school facilities				
Total General Fund:			102,190	102,190
Capital Reserve Fund:				
16103937	451590	Transfer from General Fund		102,190
16579369	508209	School Capital Projects	102,190	
Appropriation of funds requested for capital improvements at school facilities				
Total General Fund:			102,190	102,190

Business from the Floor – Mayor Lawson read an email from Ural Harris, 217 Stuart Street asking questions about the MiNET service, internet to students and the CARES funding. Most of Harris's questions were answered during Scaffidi's presentation. Harris also requested that Council information be updated on the City website.

Comments by City Council – Council Member Martin thanked Mike Scaffidi and the staff for their hard work. A year ago, the Appalachian Regional Commission had grants listed for rural areas, he recommended Scaffidi check into those. Council Member Pearson thanked Commissioner of Revenue Easley for her information regarding reversion. Pearson asked that information be posted on the City website and that Easley provide that information to the public

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at a future Council meeting. Pearson did not have the opportunity to vote on reversion but she is reviewing the information provided by the City and Henry County and she encourages residents do the same. Council needs to hear resident feedback on reversion, at any moment the reversion process can be stopped by a majority Council vote. Pearson received her first COVID vaccine today and encouraged residents to do the same. She directed them to West Piedmont Health Department to schedule their appointment. Council Member Turner said once the Supreme Court approves City reversion, there is a 21-day waiting period so it is important that Council hear community opinions. The US Post office has reinstated door service in the areas of Martinsville that had recently halted service due to supposed dog danger. Vice Mayor Bowles had a family emergency and thanked God for keeping everyone safe. Bowles congratulated Turner for his work with the Post Office and getting that issue resolved for the residents. She encourages residents to get the COVID vaccine. Residents should understand that Council Members are there to serve the community and she encourages residents to reach out to them. Mayor Lawson echoed comments about citizen input; Resident opinions and input is essential and if residents have questions or concerns reach out to a Council Member. Lawson congratulated Turner also for his assistance in getting the Post Office situation resolved. Lawson thanked Bowles and Turner for helping with the flags on MLK Day. Lawson asked the City Manager if there could be a billing insert or magnet made that lists the emergency after hours numbers for utilities. Mayor Lawson also asked for an updated property demolition list from Inspections.

Comments by the City Manager – City Manager Towarnicki touched on a previous pedestrian fatality at the intersection of Moss and Market Street. The family had presented a petition to Council asking that something be done in that area to protect pedestrians crossing the intersection. Along with assistance from VDOT and a process for such projects called Smart Scale, Towarnicki received word that there are four projects from this scoring system that are being considered for funding and the Moss/Market intersection was one of them. There is a good chance that there will be funding awarded for this project. This is also the only pedestrian project being considered.

There being no further business, Vice Mayor Bowles made a motion to adjourn the meeting; the motion was seconded by Council Member Martin with all Council Members voting in favor. The meeting adjourned at 9:00pm.

Karen Roberts
Clerk of Council

Kathy Lawson
Mayor